

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Finance (IF) Department - Placement of surplus funds of the Government Departments/Corporations with Regional Rural Banks (RRBs) --Orders issued.

G.O.Ms.No. 345

Dated: 29.11.2010.
Read the following:

1. G.O.Ms.No.215 of Fin (IF) Dept. dated 20.07.2006.
2. G.O.Ms.No.124 of Fin (IF) Dept. dated.23.04.2009.

ORDER:-

In the reference 1st cited, Government have issued instructions that Regional Rural Banks (RRBs) are to be given preference in placing Government funds as deposits since RRBs are jointly owned by the Government of India and the State Government, along with the Sponsor Bank with a share holding of 50%, 15% and 35% respectively.

2. This view has been taken by the Government since RRBs play an active role in lending to the Weaker Sections and help in the integrated development of the rural areas. RRBs have a major share of Annual Credit Plan allocations in the State which are implemented through the District Credit Plans drawn for each district.

3. It is, therefore, advised that the State Agencies functioning at the district level should keep their funds with RRBs, atleast to the extent of their participation in the Central/State sponsored schemes.

4. In this connection, a reference to the Guidelines /conditions for depositing the funds of Government with the Notified Banks; conveyed vide G.O.Ms.No.124 dt.23.04.2009 (reference 2 cited) may be made. As per item (iv)page (3)of the said GO; each Government Department/Undertaking /Agency/ all other Government Institutions and Corporations shall obtain proposals from at least three Notified Banks regarding the banking services and deposit interest rates offered by them, to decide on placement of funds. No Government Department /Undertaking /Agency/ other Government Institutions/Corporations shall have deposits or Bank Accounts with more than three Banks. The overriding consideration in all these decisions shall first be the safety of funds followed by the rate of interest and other banking services being offered by the Banks.

5. However, if the highest rate offered by a commercial bank and RRB is the same, preference may be given to the RRB as all RRBs are Scheduled Banks and safety of funds is assured as they are partially owned by the Government of Andhra Pradesh.
6. There orders shall come into force with immediate effect.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

VASUDHA MISHRA
SECRETARY TO GOVERNMENT (IF)

To
All the Secretariat Departments.
All Regional Rural Banks.
All the Commissioners/ HODs.
All District Collectors/PDs of DRDAs.
Government- under takings.

Copy to: As in previous GOs

//FORWARDED:: BY ORDER//

SECTION OFFICER